



## **NEWS**

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# **Herger Urges Prompt Action to Save Medicare**

**(WASHINGTON, D.C.) – Representative Wally Herger (CA-02) today questioned Secretary of Health and Human Services Michael Leavitt at a hearing of the Ways and Means Committee about the massive unfunded liabilities of the Medicare program and how it should be reformed to preserve it for future generations. Below are excerpts of Herger's question and Leavitt's response regarding these issues:**

### **Representative Herger:**

I hear a number of concerns from my friends on the other side of the aisle that the Administration's budget would hurt Medicare. My fear is what will happen to Medicare if we don't take action soon to slow its growth. As you've mentioned, the unfunded liabilities of the Medicare program are estimated at \$34.2 trillion. Now that's a huge number, and it comes out to over \$110,000 for every man, woman, and child in America. I'm concerned that if we continue to ignore this problem, it won't be long before Medicare disappears altogether. I'm grateful that the Administration is responding to this crisis, yet even this far-reaching budget proposal eliminates only one third of Medicare's total unfunded liability. Mr. Secretary, in your judgment, what needs to be done to get Medicare back on a solid financial footing?

### **Secretary Leavitt:**

My view is that anyone, whether it's Mike Leavitt, George Bush, or any person who has to solve this problem will ultimately have to do one of three things. They'll either have to make hard cuts, or they'll have to raise taxes, or they'll have to find a way to begin allowing the system to be managed in a different way. And I believe the best way to manage it is to give people information about the cost and quality of their goods, or of their services, and then let them choose. Let them make choices.

To do that we're going to have to change not just Medicare, but our health care system... Electronic medical records need to be pervasive in our system to drive more efficiency. We've got to have better quality measures so people know whether what they're getting is quality or not. We need to have price measures so that people know the price and they know the value, the quality, and they're able to take the cost and the quality and make judgments...

This is not about leaving Medicare. It's about finding ways to improve Medicare so it is sustainable.

***For more information, please visit <http://www.house.gov/herger> on the Internet!***